

**PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA
COMMISSION DIRECTIVE**

ADMINISTRATIVE MATTER

☐

DATE

December 09, 2020

MOTOR CARRIER MATTER

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DOCKET NO.

2019-226-E

UTILITIES MATTER

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ORDER NO.

SUBJECT:

DOCKET NO. 2019-226-E - South Carolina Energy Freedom Act (House Bill 3659) Proceeding Related to S.C. Code Ann. Section 58-37-40 and Integrated Resource Plans for Dominion Energy South Carolina, Incorporated - Staff Presents for Commission Consideration Dominion Energy South Carolina, Incorporated's Integrated Resource Plan.

COMMISSION ACTION:

Act No. 62 of 2019 extensively amended the Integrated Resource Plan ("Plan" or "IRP") statute requiring the utility's IRP to be reviewed in a contested case allowing for participation by the Office of Regulatory Staff and intervening interested parties, and ultimately approval or rejection of the IRP by the Commission. South Carolina Code Section 58-37-40, as amended, provides a detailed list of required elements and analyses to be included in the utility's IRP. This IRP proceeding is the first conducted under the amended statute. As part of its review, the Commission also provides guidance on its interpretation and expectations for compliance with the statute for the public interest.

Pursuant to S.C. Code Ann. § 58-37-40 C (2), the commission shall approve an electrical utility's integrated resource plan if the commission determines that the proposed integrated resource plan represents the most reasonable and prudent means of meeting the electrical utility's energy and capacity needs as of the time the plan is reviewed. Based on the aforementioned standard, I move that the commission reject the Proposed IRP as filed by Dominion Energy South Carolina ("Dominion") and that the Commission require Dominion to modify and refile a 2020 IRP. Such Modified IRP shall be filed within sixty (60) days from the Order in this matter provided by S.C. Code Section 58-37-40(C)(3).

Dominion's 2021 IRP Update is currently scheduled to be filed with the Commission in February 2021. However, updates to Dominion's IRP should be based upon Dominion's final approved Plan. Therefore, I move that the Commission hold in abeyance the currently scheduled filing dates for Dominion's 2021 IRP Update and that the Commission set a new filing date for Dominion's next IRP Update following the Commission's approval of the 2020 IRP.

The Commission Order shall address the issues with more granularity as needed, and for now I move that the Commission find and conclude that the following major points of modification should be required in the Dominion Modified 2020 IRP and each subsequent IRP thereafter. Again, while the Commission Order shall address the issues with more granularity as needed I now move that the Commission find and conclude that the following major points of modification should be required at a minimum in the Dominion Modified 2020 IRP and in each subsequent IRP thereafter and this is not an exhaustive list:

1. Dominion is instructed to remodel the costs of all candidate plans using the specified cost and capacity assumptions recommended by the South Carolina Solar Business Alliance and industry publications.
2. Because I believe Dominion used several assumptions that require improvement, Dominion shall re-run its IRP modeling using the set of assumptions recommended in the Solar Business Alliance and Sierra Club Witnesses' testimony, and shall include the results of that modeling in its Modified 2020 IRP.
3. The Short-Term Action Plan included with the Modified 2020 IRP should include steps or planning necessary to achieve adoption rates of DSM consistent with the most economically viable and achievable levels of projected DSM.
4. Dominion shall be instructed to coordinate with the ORS and stakeholders to begin to establish an ongoing IRP Stakeholder Process for the purpose of considering, and inviting stakeholder input and review of certain potentially complex changes to Dominion's IRP development methodology, inputs and assumptions, and periodically report on its utilization.
5. The stakeholder process should begin by the time of the filing of Dominion's Modified IRP. At the time of the filing of Dominion's Modified IRP, Dominion shall indicate to the Commission the composition of current and prospective stakeholders.
6. Stakeholders to the IRP actions should be comprised of representatives from multiple interest groups, to include residential and industrial classes of ratepayers and the Office of Regulatory Staff.
7. The stakeholder process should discuss selection and implementation of capacity expansion modeling software in the IRP development process; implementation of risk metrics and other measures to address ratepayer risk in the IRP development process; comprehensive retirement analysis of Dominion coal plants; and any other issues, as agreed on by the parties to the Stakeholder process.
8. Dominion is required to update its planning assumptions relating to the energy and demand forecast, commodity fuel price inputs, renewable energy forecast, energy efficiency and demand-side management forecasts, and changes to projected retirement dates of existing units in its Modified 2020 IRP and in future IRPs.
9. Dominion is required to include in its Modified 2020 IRP and in future IRPs a Short-Term Action Plan identifying and describing the steps it will take to implement its IRP during a minimum of the next three years. The Short-Term Action Plan shall include a graphic representation of the sequencing of its actions.
10. The Company shall provide more information on the Wateree outage.
11. The IRP shall illustrate the range of cost impacts to consumers, including both as potential additional revenue requirements and bill impacts on the various scenarios modeled.
12. Reliability and resiliency must be presented and must incorporate detailed discussion of the reserve requirements needed by the utility, including a traditional Loss of Load Expectation study.
13. Dominion shall explain how the IRP is integrated into other planning at the company by subdivision, division, and department within the Company.

Beginning in 2021 or as specified, I move that the Commission find and conclude that Dominion is also required to provide the following. Again, this is not an exhaustive list:

1. Dominion shall add at least one additional lower carbon option to the 2021 or 2022 IRP Update for modeling incorporating additional solar and storage opportunities.
2. Dominion shall work with stakeholders regarding fair inclusion of solar PV's winter capacity value in the 2021 and 2022 IRP Updates.
3. A rate rider incentive to "Shave The Peak" shall be evaluated and shall be documented.
4. For purchased renewable power as well as utility generated renewable energy, Dominion shall be required to incorporate renewable energy options considering the input of

stakeholders during the 2021/2022 IRP Update process. The options should be reflected and evaluated in the modeling process.

5. In its 2021 IRP Update, Dominion shall build resource options which meet Dominion's full peaking reserve margin and determine which resources best meet the peaking need.
6. In its 2022 IRP Update, Dominion shall document how it is or is not prudent to take advantage of the solar ITC or implement a plan to take advantage of the ITC.
7. Dominion shall include performance and reliability data as it relates to storm and hurricane related outages.

I further move that the Commission find and conclude that Dominion is also required to provide the following beginning in 2023:

1. Dominion and the Advisory Group for DSM shall work to evaluate realistic options to achieve greater energy savings and model a high DSM scenario in the 2023 IRP.
2. Dominion shall develop a low- medium- and high-DSM option and model it in the 2023 IRP. Dominion shall include incentive options and best practices to achieve these levels.
3. Dominion shall continue its coordinated ongoing IRP Stakeholder Process and report on its utilization.
4. Dominion shall target the 2023 IRP to begin showing coal retirement as another option upon the completion of their coal retirement study.

Lastly, I move to direct staff to make any other changes needed to effectuate and provide an Order consistent with the above.

PRESIDING: Belser

SESSION: Regular

TIME: 4:00 p.m.

	MOTION	YES	NO	OTHER	
BELSER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		Present in Hearing Room
CASTON	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		Present in Hearing Room
ERVIN	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		Voting via Skype
POWERS	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		Voting via Skype
THOMAS	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		Voting via Skype
C. WILLIAMS	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		Present in Hearing Room
J. WILLIAMS	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		Voting via audioconference

(SEAL)

RECORDED BY: J. Schmieding

